



From the Office of:
Representative George R. Nethercutt, Jr.

223 Cannon Office Building, Washington, D.C. 20515

202-225-2006

March 13, 2002

Dear Conferee:

In the forthcoming conference on H.R. 2646, the Farm Security Act of 2001, we strongly urge the House to recede to the Senate on the issue of private financing of agricultural sales to Cuba.

Section 335 of the Senate bill amends the Trade Sanction Reform and Export Enhancement Act (TSRA), lifting limitations on the financing of private sales to Cuba. Under current law, no provision of credit from a U.S. entity is allowed. U.S. agricultural exporters must either arrange for credit through an overseas bank, or must insist on cash in advance from the Cuban importer.

Even with these cumbersome restrictions, U.S. farmers have been able to realize more than \$35 million in sales to Cuba within the last 3 months. Cuba has purchased a wide range of American products, including rice, chicken, soybeans, wheat, corn and vegetable oil. The volume of this initial trade has been significant, suggesting the potential for our producers as we increase our presence in the Cuban market.

The Cuba Policy Foundation recently released a study showing how great these gains could be: the 11 states represented by the 14 House conferees would gain \$135.5 million in new exports (total U.S. exports would total \$411 million) to Cuba, under a scenario representing moderate improvements in the bilateral relationship. The study estimates that these 11 states would gain 3687 new jobs.

The next logical step to increase access to the Cuban market is to lift the restrictions on private credit. Our farmers and agricultural exporters should be allowed to independently evaluate the risk posed by financing sales to Cuba. The federal government should not be in the position of evaluating credit risk for private entities and restraining the competitive pressures of the marketplace. Adoption of Section 335 leaves intact the prohibition on U.S. government financing for Cuban sales and simply frees American agricultural exporters to compete in the Cuban marketplace.

A question of private sales of agricultural commodities is clearly a matter that should be resolved by members of the Agriculture Committee in conference with the Senate. We strongly urge all House conferees to recede to the Senate on Section 335.

Sincerely,

Signatories on March 13, 2002 Letter to Conferees on H.R. 2646,
Urging That the House Recede to the Senate on Section 335 of the Senate Bill

George R. Nethercutt, Jr.
Jo Ann Emerson
Jeff Flake
James A. Leach
Tom Osborne
Jim Ramstad
Bob Filner
Norman D. Dicks
Nick Smith
Jose E. Serrano
Maxine Waters
Charles Rangel
Tim Roemer
James L. Oberstar
Rosa L. DeLauro
James P. Moran
David Price
Peter DeFazio
Mike Ross
John M. Shimkus
James P. McGovern
Dennis Moore
Nick Lampson
William Lacy Clay, Jr.
Brad Carson
Jim Turner
James E. Clyburn
Ron Paul
Stephen Lynch
Adam Smith
Lynn N. Rivers
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Neil Abercrombie
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Sam Graves
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Michael K. Simpson
John J. LaFalce
Richard Neal
Henry A. Waxman
Wally Herger
Timothy V. Johnson
John Boozman
William D. Delahunt
Lloyd Doggett
Greg Ganske

Letter sent to:

Chairman Larry Combest
Representative John Boehner
Representative Bob W. Goodlatte
Representative Richard Pombo
Representative Terry Everett
Representative Frank D. Lucas
Representative Saxby Chambliss
Representative Jerry Moran
Representative Charles W. Stenholm
Representative Gary Condit
Representative Collin C. Peterson
Representative Cal Dooley
Representative Eva Clayton
Representative Tim Holden
Chairman Henry Hyde
Representative Christopher Smith
Representative Tom Lantos
Representative Michael Oxley
Representative Spencer Bachus
Representative John LaFalce